



US Magnesium LLC

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INTER-OFFICE MEMORANDUM

TO: Susan M. White – Utah Div. Of Oil Gas and Mining

DATE: 01/26/07

FROM: Tom Tripp

CC: Lee R. Brown
Mark Mesch
✓ Daron Haddock
Don Silva

RE:

- On line 4. of Section I General Information – The mineral “magnesium chloride” is recovered from the water of the Great Salt Lake by solar evaporation ponds in the form of a solution of dissolved minerals.
- On line 5. of Section I General Information – The reference to a surface mine refers only to the solar ponding operation in the Stansbury Basin. There is no conventional surface mining being employed by US Magnesium at this time for the recovery of magnesium minerals.
- On line 3. of Section II Mining and Reclamation – The listed production, electrolytic magnesium, is an indication of the magnitude of US Magnesium’s annual activity. Electrolytic magnesium metal is an intermediate product (rather than finished) and is solely derived from magnesium chloride obtained from the waters of the Great Salt Lake. It is not however an exact measure of finished product.
- On line 4. of Section II Mining and Reclamation – The comment of no surface mining during the period connotes that the previous mining activity carried on by previous owners related to oolitic sand production did not occur during the period in question. As previously mentioned US Magnesium’s solar ponding operation was active during 2006.

If further clarification is required, please feel free to contact me.



G.T. Tripp
Technical Services Manager
US Magnesium LLC

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DIV. OF OIL, GAS & MINING